



# SEAPORT

NORTH CENTRAL IDAHO: CLEARWATER, IDAHO, LATAH, LEWIS, & NEZ PERCE COUNTIES

## LABOR FORCE & EMPLOYMENT

As shown in Seaport Table 1, the Seaport Labor Market Area (LMA) seasonally adjusted unemployment rate for December was 4.4 percent, six-tenths of a percentage point below the November rate of 5.0 percent. In December 1999, the rate was 3.3 percent. However, the December decrease in total employment was unusual. December is traditionally a strong employment month. One of the reasons for the decrease was that holiday sales lagged behind last year. Starting in October, area retail managers predicted a slow holiday season, and overall, they were correct as stores reported holiday sales were down from last year.

In December, Seaport LMA *Nonfarm Payroll Jobs* increased by 210 jobs from November 2000. Nearly all sectors contributed to the increase from November to December, with *Construction, Insurance and Services* creating the majority of new jobs.

Despite other strong areas, *Trade* jobs decreased due to decreases in holiday sales, and total *Nonfarm Payroll Jobs* have substantially decreased by 930 jobs from December 1999. Layoffs in key *Manufacturing* sectors started job decreases that rippled through the economy. The economic concern is that all industries posted decreases year over year, which means that there was little economic growth to help soften the layoffs.

## SPECIAL TOPIC: Minimum Wage

Increases in Washington State minimum wage laws have generated local interest in the Seaport LMA. People in communities such as Lewiston, which borders Clarkston, Washington and Moscow, which borders Pullman, Washington are wondering about impacts of the increase. Will the increase in Washington state minimum wage increase wages in Lewiston and Moscow, and will productive/trained workers migrate to Clarkston and Pullman for the better pay? Factors like size of increase, time period allowed for the increase to occur, labor and product market conditions, labor shortages/surpluses, the unemployment rate, and prevailing market wage levels for entry-level workers need to be evaluated to answer these questions. In addition, the skills and productivity of affected workers, the rate of inflation, and the ability of employers to absorb or pass on their higher labor costs will also effect the answer to these questions.

Seaport Table 1: Labor Force & Employment  
Nez Perce County, Idaho, and Asotin County, Washington

	Dec 2000*	Nov 2000	Dec 1999	% Change From	
				Last Month	Last Year
<b>INDIVIDUALS BY PLACE OF RESIDENCE</b>					
<b>Seasonally Adjusted</b>					
Civilian Labor Force	34,370	34,890	35,550	-1.5	-3.3
Unemployment	1,520	1,750	1,130	-13.1	34.5
% of Labor Force Unemployed	4.4%	5.0%	3.2%	-0.6%	-1.2%
Total Employment	32,850	33,140	34,420	-0.9	-4.6
<b>Unadjusted</b>					
Civilian Labor Force	34,500	34,760	35,660	-0.7	-3.3
Unemployment	1,580	1,590	1,180	-0.6	33.9
% of Labor Force Unemployed	4.6%	4.6%	3.3%	0.0%	-1.3%
Total Employment	32,920	33,170	34,480	-0.8	-4.5
<b>JOB BY PLACE OF WORK</b>					
<b>Nonfarm Payroll Jobs**</b>	25,430	25,220	26,360	0.8	-3.5
<b>Goods-Producing Industries</b>	4,920	4,840	5,430	1.7	-9.4
Mining & Construction	1,130	1,080	1,290	4.6	-12.4
Manufacturing	3,790	3,760	4,140	0.8	-8.5
Food Processing	60	60	130	0.0	-53.8
Lumber & Wood Products	730	700	790	4.3	-7.6
Paper Products	1,720	1,730	1,820	-0.6	-5.5
All Other Manufacturing	1,280	1,270	1,400	0.8	-8.6
<b>Service-Producing Industries</b>	20,510	20,380	20,930	0.6	-2.0
Transportation	1,350	1,360	1,340	-0.7	0.7
Communications & Utilities	290	280	280	3.6	3.6
Wholesale Trade	1,040	1,030	1,070	1.0	-2.8
Retail Trade	5,280	5,330	5,430	-0.9	-2.8
Finance, Insurance, & Real Estate	1,450	1,400	1,480	3.6	-2.0
Services	6,900	6,830	7,060	1.0	-2.3
Government Administration	1,780	1,780	1,790	0.0	-0.6
Government Education	2,420	2,370	2,480	2.1	-2.4
*Preliminary Estimate					
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month					

For now, local employers have hinted that increasing wages would cause them to:

- Pass the additional expense on to consumers via higher prices;
- Shift the cost, or part of it, to workers by either reducing the benefit portion of total compensation, or by simply limiting future wage growth;
- Eliminate jobs through substitution, by replacing workers with machines or computers;
- Manage workers and overall operations more efficiently (use more part-time or temporary workers);
- Boost labor productivity (e.g., raise hiring standards, provide more training and better equipment);
- Accept lower profits; or
- Seek changes to the minimum wage law to allow a longer list of workers excluded from the law.

There is some confusion on minimum wage. Here are the facts: Washington State's minimum wage increased from \$6.50 an hour to \$6.72 an hour January 1, 2001. Future increases will be automatically linked to the cost of living. Nationwide, Washington State ranks near the top in highest state minimum wage. The minimum wage in Idaho is the same as the Federal minimum wage of \$5.15 an hour. The most recent change in the federal law was a two-step increase from \$4.25 to \$5.15, passed in August 1996. The federal minimum wage is the default wage for all states, unless they choose to set a minimum wage above the federal rate (federal law provides that the higher of the two wages prevails).

## AREA DEVELOPMENTS

### Clearwater County

- Brookside Landing Retirement Center in Orofino is nearing completion. During the holidays, individuals and groups were given sneak previews of the accommodations and services. The facility features a large reception area, a large family room, activities room, a library and a personal care room. There will be emergency call buttons in each apartment, cable TV and telephone hookups, storage units and ample parking. Many of the apartments have a patio or balcony. The facility will be staffed with dietary, housekeeping, activity, maintenance and personal care workers. According to owners, inquiries have already been made from local people about moving their parents to Orofino from out of state.

### Idaho and Lewis Counties

- Locally owned Union Warehouse and Supply Company of Grangeville is looking at the possibility of merging with the Lewiston regional national cooperative Cenex Harvest States. According to the owner of Union Warehouse and Supply, the merger is similar to the trend in small family farms, which are going by the wayside and merging with large farms. Union Warehouse and Supply is trying for this same type of efficiency.
- Cove Corporation is a new face at Grangeville's White Horse Business Center on Highway U.S. 95. The company provides an on-line interactive conferencing service. With the click of a mouse, people throughout the world connect to speak with one another, see each other, and view slides, videos, and software applications. According to the company, many institutions and businesses use the service to save time and money spent for conferences, meetings and training by utilizing the custom-designed virtual classrooms through Internet connections.

### Latah County

- A revamped teaching and learning center at the University of Idaho received the green light from the Governor. The Teaching and Learning Center project involves a comprehensive renovation of the University Classroom Center, with an estimated price tag of \$13.2 million.

### Nez Perce and Asotin Counties

- Potlatch Corporation in Lewiston is eliminating 124 jobs at its pulp, paperboard and consumer tissue operations. Of the jobs being eliminated, as many as 80 of those in the maintenance and production areas will be eligible for early retirement. This announcement marks the second time in less than a year that Potlatch, the Lewiston-Clarkston Valley's largest employer, has implemented large-scale job reductions. In June it cut about 100 salaried positions. It announced in January it had its worst year in more than a decade, losing \$33.2 million in 2000.
- Lewis-Clark State College's new activity center has also been approved by the Governor. The activity center project would replace the existing gymnasium and adjacent classrooms. The project is estimated to cost \$16.4 million.
- Convergys, a firm that had planned to bring 400 jobs to the Lewiston-Clarkston valley, has decided to withdraw. Convergys decision-makers evaluated client needs, industry trends and the capacity of its 46 customer contact centers around the world and decided that they didn't need another center in Idaho at this time. Since Convergys announced its plans in September to bring a call center to Lewiston, the city has secured \$1.8 million in state and federal grants. The money was earmarked for streets and water and sewer systems for the Port of Lewiston's business technology park east of Thain Grade. The withdrawal has all but eliminated the possibility of the city receiving the grants for the industrial park development because the grants were based on the number of jobs created. Unless a major employer has promised to locate a business there, a community doesn't qualify. At the same time, businesses often need to move quickly before the economy changes and can't wait for all the pieces to be in place. Convergys' reversal was at least the second round of bad news for north central Idaho's economy in less than a week, partnered with the Potlatch economic report.
- A 3-year-old Idaho home health care business has opened its third location in downtown Lewiston. A Full Life Agency, at 618 D Street, decided to open in Lewiston at the request of clients who moved to Lewiston from Hayden or Boise, the other towns where the business operates. The new business provides housekeeping, meal preparation, bathing, grooming, exercise programs, transportation and outside maintenance. It also handles paperwork for Medicaid reimbursement.

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